

**Utah State Fairpark Board of Directors
Meeting Minutes
Board Room, Fairpark Administration Building
August 16, 2016**

Present: Roger Beattie
Ginger Casper
Dave Lewis
Ted Lewis
Kathleen Matthews (representing Commissioner LuAnn Adams)
Paula Martin
Clay Nielsen
Jennifer Seelig
Eric Tholen

Guests: Bruce Whittington, DFCM
John Dougall, State Auditor
Jonathan Johnson, Audit Director
Travis Kartchner, Audit Senior

Staff: Larry Mullenax
Mary Dixon
Judy Duncombe
Craig Greenfield
Jeff Kooring
Allan Kitterman (Advanced CFO)

Roger welcomed all and called the meeting to order.

Clay moved to accept the minutes from the meeting held on May 17, 2016, Ted seconded and all were in favor with the exception of Jennifer who abstained since she was not present at the meeting being voted on.

Roger gave a brief update on the status of appointments to the Board and introductions were made.

Review 2015 Audit findings with representatives from State Auditor's office:

Jon Johnson, Audit Director, noted they have issued a clean opinion. He explained new GASB requirements related to reporting pension liabilities.

Eric Tholen arrived.

Jon reviewed the supplementary information, noting the opinion does not cover this information.

Jon discussed the need to review official statements prior to their issue. Ted asked what, other than bonds, would require this. Jon indicated he could not think of anything else that would apply. John Dougall, State Auditor, suggested perhaps an annual report would be applicable.

Ted asked what the materiality threshold was. Jon indicated it varies from year to year, and this year it was about \$130k and recommended changes at \$18k.

Ted asked what the cost of the audit was. Jon explained the engagement letter stated \$27k but due to some delays and time spent on findings it could be as high as \$38k. Final cost was still to be determined.

Travis Kartchner, Audit Senior, presented a copy of management representations to Roger. Travis reviewed the adjustments and findings. He expressed that most of the adjustments were a result of it being Allan's first year. Allan explained a change made to the process of recording event receivables on a sale order so that only actual cash received was recognized on the invoice.

Roger asked if we are compared to other Fairs and Jon stated that we were the only Fair they audit but similar standards and principles should apply to other Fairs too.

Jon explained the difference between a deficiency and a significant deficiency. Jennifer asked what the threshold was. Jon noted that is up to the discretion of the auditor but generally a significant deficiency would be something that the auditor felt the board would want to hear about.

Allan distributed new gate admission cash handling procedures. Larry noted that staff visited Lagoon to see what procedures they use to handle their cash room. Allan explained that the new procedures simply formalize existing procedures with minor changes.

Jon indicated they will review information from the credit card audit at a later date.

Clay questioned the anticipated cost based on the size of our audit.

Roger thanked the auditors for their report and they departed.

Jennifer would like to see a tracking document that shows the audit deficiencies and their status.

Executive Review

Larry reviewed the status of the Gracie Peterson hog issue from last year and the two photo board incidents that took place in 2014. Larry noted that Risk Management covers accidents such as slip and falls but does not cover civil cases, such as the Peterson issue.

Larry discussed the newly formed safety team and some of their plans.

Larry asked Kathleen if she could report on the new Department of Ag and Food Building. She reported that Commissioner Adams is working with CRSA. Bruce explained that at the last meeting Deputy Commissioner Scott Ericson made it clear they prefer the Fairpark site but the cost will be higher.

Larry briefly discussed Tracy Aviary's interest in locating a second site at the Fairpark and he discussed the property for sale on the south side of North Temple.

Finance

Allan reviewed the financial reports for month ending July and year to date. Ted noted that increased cash flow meant we did not use the existing line of credit.

Clay voiced concern with loss of revenue from arena events. He has spoken to Senator Van Tassel and Representative McKell and suggested we be prepared for the October interim session. Larry noted he has a spread sheet that shows the breakdown of events and the losses.

Fair & Major Events

Judy reported the deadline for Junior Livestock entries is today and over 300 have registered online already. Competitive entries will start arriving on September 1st. Staff has begun the process of setting up buildings to receive and display those entries.

Judy noted the Circus this year will be called the Big Top Circus Spectacular. There will be three performances daily and she reviewed the variety of acts that will make up the hour long show.

She reviewed the entertainment planned for the Grandstand area, including:

Sunday, Sept. 11 – Luis Coronel – regional Hispanic music ; Monday, Sept. 12 – Country Showdown with headliner Ned LeDoux-country music, state final ; Tuesday, Sept. 13 – Blues Traveler – classic rock music ; Friday, Sept. 16 – Official Blues Brothers Revue – comedy rhythm, soul and blues

Judy announced that Governor Herbert had accepted an invitation to participate at the Fair on opening day and she reviewed his schedule.

Jennifer asked about recent accidents happening at carnivals. Judy explained that our carnival contractor runs a very safe operation and we require an inspection by an independent ride inspector prior to opening.

Marketing & Public Relations

Jeff reported that the ad campaign is running and this year's theme is Get the Blues – emphasizing blue ribbons. Jeff noted we are using Love Communications this year for our media buys.

Jeff provided a brief report of recent events held at the Fairpark. He noted attendance at Warped Tour was up and next year they plan to start their season here on June 24.

Eric Tholen and Kathleen Mathews departed the meeting.

Facilities and Operations

Craig introduced himself and reported on projects that will be starting after the Fair, as well as those that have recently been completed.

He discussed changes in staff with Bobby Villarreal being named Event Manager, and Jeff Caldwell being moved to Operations Manager.

Other Business

Roger indicated he is forming new committees. He would like each committee to consist of a chair and two other members, as follows: Finance – Chair, Dave Lewis ; Fair – Chair, Paula Martin ; Non Fair – Chair, Ted Lewis

Larry inquired about a committee to formalize the agreement with Days of '47. Roger asked Larry to put together a proposed term sheet for his review. Ted reminded Roger of a motion made in May. Jennifer indicated she would like to be involved. Roger noted that Ted and Jennifer will be included in discussions.

Clay asked if we would have the opportunity to review Days of '47 financial statements. Roger stated that we should.

Jennifer requested a current contact list of Board members be emailed to them.

Discussion resulted in the next meeting being set for September 8 @ 11:00 a.m.

Hearing no additional business, Clay made a motion to adjourn the meeting, Ted seconded and all were in favor.